



Department of Justice

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**FORMER BANK VICE-PRESIDENT PLEADS GUILTY TO BANK FRAUD, MONEY
LAUNDERING, AND FALSIFYING INCOME TAX RETURN**

Embezzled more than \$5 million using customers' information

DAYTON — Nicole Johnson, age 42, of Trotwood, pleaded guilty in United States District Court here to one count each of bank fraud, money laundering, and falsifying a tax return.

Gregory G. Lockhart, United States Attorney for the Southern District of Ohio, Keith L. Bennett, Special Agent in Charge, Federal Bureau of Investigation, and Jose Gonzalez, Special Agent in Charge, Internal Revenue Service Criminal Investigation, announced the plea entered yesterday before United States District Judge Thomas M. Rose.

According to a statement of facts filed with her guilty plea, Johnson embezzled the money from J.P. Morgan Chase Bank between June 2001 and July 2005. Johnson used her position as Vice President of Operations to gain access to customer identity information. Using that information, Johnson secured fraudulent lines of credit in the customers' names and then drew funds from these lines of credit. Johnson diverted the funds to her personal accounts and used the money for transactions including buying properties, clothing, jewelry, and vacations for herself and her family, and to pay back other fraudulent and legitimate lines of credit. At least 30 customers were affected by the scheme and Johnson embezzled more than \$5 million during the four-year period.

Bank fraud carries a maximum punishment of 30 years imprisonment and a fine of up to \$1 million, and is not probation eligible. Money laundering is punishable by up to 20 years in prison. Filing a false tax return carries a potential three-year sentence. Under terms of her plea agreement, Johnson must also pay full restitution to the victims of her crimes and agreed not to seek discharge of any restitution obligation by way of bankruptcy.

Judge Rose scheduled a sentencing hearing for Johnson on February 22, 2008.

Lockhart commended the investigation by the FBI and IRS, and Assistant U.S. Attorneys Brent Tabacchi and Mona Guerrier, who are prosecuting the case.

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